GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:1959
ANSWERED ON:28.11.2016
Commercial Relations with China
Yadav Shri Jay Prakash Narayan

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the sale of imported items from China is proposed to be banned in the country and if so, the reasons therefor;
(b) whether the Government also proposes to discontinue the commercial relations with China in near future and if so, the reasons therefor;
(c) whether a considerable percentage of the raw material used in the manufacturing of the life saving medicines in our country is imported from China alone; and
(d) if so, whether the Government has made alternative arrangements from any other country in this regard and if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)

(a) & (b):No Madam. India and China are members of the World Trade Organisation (WTO) and therefore any restriction imposed on trade needs to be WTO compliant. Therefore, no blanket ban can be imposed on Chinaor any other Member Country under the WTO framework.
(c)& (d): Most of the intermediates and Key Starting Materials (KSM) are imported to manufacture Active Pharmaceutical ingredients (APIs) in India. Some of the APIs (Bulk Drugs) are also imported from China to manufacture some finished formulations including the life saving drugs.
Following are the total imports of Bulk Drugs of India during the years 2012-15 and April-Dec 2015-16.

Bulk Drug Imports of India in US$ Million
2012-13 2013-14 2014-15 2015-16
Total Imports 3189.671 3146.76 3245.642 2510.413
Imports from China 2009.88 2000.394 2088.307 1626.875
% of Imports from China 63.01 63.57 64.34 64.81
(Source: Pharmexcil)
Efforts are being made for revival of API industry in India to lessen dependency on import of Key Starting Materials (KSM), Intermediates and APIs (Bulk Drugs) including from China. The government has withdrawn exemption of custom duty on certain categories of Bulk Drugs/APIs to promote domestic manufacturer. Further, the government is addressing bottlenecks which the manufacturers are facing such as providing speedy environmental clearance in order to give a boost to domestic manufacture of bulk drugs.
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